

Subject: Special Milk Program

Honorable Wilbur D. Mills
Chairman, Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

Thank you for your July 3 letter concerning the future of the Special Milk Program.

As you have noted, I did not veto H.R. 5554 but allowed it to become law without my signature. This action was consistent with my special message to Congress on February 26, 1970, wherein I indicated my intention of eliminating low priority programs (in which category I place the Special Milk Program) in order to provide the additional funds needed to expand the other child feeding programs that supply meals which include milk, rather than milk only.

I have asked Secretary Hardin for proposals on how a milk program could be structured so as to give first priority to the provision of milk to needy children in situations where more complete feeding programs are at present not possible.

In this connection Department of Agriculture officials have noted a continuing reluctance of local school authorities to initiate needed lunch and breakfast programs where the Special Milk Program is available. What begins as a temporary solution becomes the final but incomplete answer to the nutritional needs of the children.

In view of the plain mandate of Public Law 91-248 which I signed on May 14, it will be the goal of the Department of Agriculture to strengthen all child nutrition programs with particular concentration on increasing the service of complete meals with milk either free or at reduced prices to needy children. This will require increased support to the participating schools and service institutions as a result of which I have submitted a request for supplemental funds.

The expansion of these programs will also result in increased consumption of milk and eventually will offset any losses that might result from discontinuance of the Special Milk Program as it operated in the past.

Your interest is appreciated.

OFFICE OF MANAGEMENT AND BUDGET
ROUTE SLIP

TO Mr. Kraus *CK*
Mr. Crabill *[Signature]*
Mr. S. Cohn
Mr. Rommel *[Signature]*
Mr. David Taylor *[Signature]*
FROM NRP Div. (Gladieux) *[Signature]*

Take necessary action ☐
Approval or signature ☐
Comment ☐
Prepare reply ☐
Discuss with me ☐
For your information ☐
See remarks below ☐

DATE 7/29/70

REMARKS

We have reviewed the attached letters and believe that Secretary Hardin's proposed response is both well stated and appropriately consistent with the Administration's position on the special milk program. *in general*

We note that the third paragraph of the proposed letter to Chairman Mills implies that the special milk program will be operated, at least temporarily, on a partial basis. The effect of this wording would, we believe, foreclose our option to terminate the special milk program for this school year as proposed in the President's 1971 budget, and could commit the Administration to a program costing as much as \$30 M over the budget.

Congressional action has not been completed on the 1971 USDA appropriation bill. Thus, the Administration has not yet made program decisions on this and other programs. Therefore, we suggest that the letter be revised as indicated on the attached copy in order to keep the President's options open.

We have checked our revision with Assistant Secretary Lyng's office in USDA and they concur.

#839

THE WHITE HOUSE
WASHINGTON

July 22, 1970

MEMORANDUM FOR

Director George P. Shultz
+
Mr. John Ehrlichman

FROM: Bill Timmons *BT*

Subject: Presidential response to letter from
Chairman Wilbur D. Mills regarding Special Milk Program.

Attached is a letter prepared for the President's signature in response to Chairman Mills' July 3 letter. The draft for this was prepared by Secretary Hardin's office. (Tab A)

Also attached is Chairman's July 3 letter to the President and my acknowledgment. (Tab B)

I would appreciate your comments or concurrence before presenting it for the President's signature. Thank you.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

July 21, 1970

Honorable William E. Timmons
Assistant to the President
The White House
Washington, D. C.

Dear Mr. Timmons:

Thank you for requesting our comments concerning the July 3 letter to the President from the Honorable Wilbur D. Mills on the future of the Special Milk Program.

In line with the President's statement on June 30, we are presently studying an approach which we believe would be acceptable to him and in line with his feelings toward reaching needy children.

A suggested reply to Mr. Mills on this subject is enclosed. We trust it will meet with the President's approval.

Sincerely,

William E. Galbraith

WILLIAM E. GALBRAITH
Deputy Under Secretary
for Congressional Relations

Enclosures

GENERAL

A-7-2

F-33-21

July 7, 1970

Dear Mr. Chairman:

I would like to acknowledge and thank you for your letter to the President in which you bring to his attention your views regarding the Special Milk Program. You may be assured I will bring your letter to the President's early attention.

With cordial regard,

Sincerely,

William E. Timmons
Assistant to the President

Honorable Wilbur D. Mills
Chairman
Committee on Ways and Means
House of Representatives
Washington, D.C. 20515

bcc: w/incoming to Dept. of Agriculture (Wm. Galbraith)
Draft reply for the President's signature soonest.

WET:EF:VO:vo-2

rec'd
7-8-70
Central Files

Congress of the United States

House of Representatives

Washington, D.C. 20515

Searcy, Arkansas

July 3, 1970

The Honorable
Richard M. Nixon
The White House
Washington, D. C.

Dear Mr. President:

BT
We have followed your action in allowing HR 5554, a bill extending the Special Milk Program, to become law without your signature. We have read with great concern your statement regarding this program and its functioning in the future.

A study of this statement indicates the Special Milk Program will be rendered completely and totally ineffective by attempting to limit participation to 10% of our school children who come from poverty families.

No new program can be devised which can operate on the low administrative cost which the Special Milk Program has required -- approximately \$.6 million per year.

This program has been successful in its' operation because it has been available to all. Any effort to limit participation to children of low income areas is going to be rejected by those students and their parents who will resent the poverty label being attached to them each day. The result will be that those students who have an economic need for the program, as well as those who have a nutritional need, will be equally deprived of its' benefits.

The most important point which may be misinterpreted by some of your advisors is that even complete elimination of the program will not represent added economy or savings to the government.

It is our estimate that approximately 1.6 billion pounds of fluid milk was utilized in the Special Milk Program in 1969. If this program is redirected as indicated in your statement of June 30, fluid milk consumption will be reduced by this amount.

Commodity Credit Corporation must purchase this volume of milk in manufactured products at a cost exceeding \$65 million for each billion pounds of milk removed. At this minimum figure of \$65 million applied to 1.6 billion pounds CCC would expend no less than an additional \$104 million in surplus removal, compared to \$104 million which has been used to implement this most valuable program.

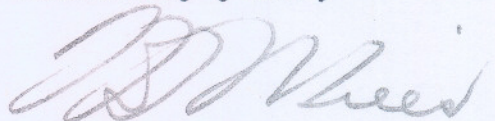
This is a critical time when school administrators are receiving bids and making necessary arrangements for milk service for the coming school year. Prices, and other conditions of services, are dependent on, or related to, volume to be used. It is important that administrators be able to accurately anticipate their needs.

We would like to respectfully urge that you allow the Special Milk Program to operate just as it did during the past fiscal year. School administrators, as well as the general public, should be informed immediately of this intent, so that programs for the coming school year may be completed.

I can see nothing in the continuation of a long established and proven program such as the Special Milk Program which can add to problems of inflation. It is our considered opinion this program should be allowed to operate as it has in the past.

With kindest regards, I am

Sincerely yours,

A handwritten signature in cursive script, appearing to read 'W.D. Mills', written in dark ink.

Wilbur D. Mills

WDM:aws